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U.S. BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

IN RE:)

Santee River Rubber Company, LLC,)

Debtor.)

Chapter 11

Case No. 00-9624-W

TO: ALL CREDITORS AND PARTIES IN INTEREST

**NOTICE AND APPLICATION FOR SALE OF PROPERTY
FREE AND CLEAR OF LIENS, ENCUMBRANCES AND OTHER INTERESTS
PURSUANT TO 11 U.S.C. §363(b)(1) and (f)**

YOU ARE HEREBY NOTIFIED that the Chapter 11 Trustee ("Trustee" or "Seller") seeks approval of the sale of the Debtor's assets described in Exhibits 1 and 2 to this Notice, free and clear of all liens, encumbrances, and interests according to the terms and conditions stated below and in the attached Agreements.

TAKE FURTHER NOTICE that any response, return and/or objection to this application, should be filed with the Clerk of the Bankruptcy Court within five (5) business days of the below-scheduled hearing and a copy simultaneously served on all parties in interest.

TAKE FURTHER NOTICE that the Court will conduct a hearing on **February 13, 2002, at 1:30 p.m., at the United States Bankruptcy Court, 145 King Street, Room 225, Charleston, South Carolina.** No further notice of this hearing will be given.

TYPE OF SALE: Public.

PROPERTY TO BE SOLD: Debtor's real and personal property as described in Exhibit A of the Equipment Purchase Agreement (which is Exhibit 1 to this Notice) and Exhibit A to the Agreement for the Purchase and Sale of Real Property (which is Exhibit 2 to this Notice). The property shall be sold as is, where is, unconditionally and with all faults. The property shall be conveyed subject to permitted encumbrances. The Trustee shall under no circumstances be deemed to have made, and the Trustee expressly herewith disclaims any representation or warranty, express or implied, including the condition of the property and each part thereof, any environmental condition with respect to the property, including the presence of any hazardous substance or material or any pollutant or contaminant in or under the property (collectively, "hazardous substances"), and the adequacy, suitability or fitness for any particular purpose of the property or any part thereof.

The purchase and sale contemplated hereunder shall be contingent upon the Bankruptcy Court for the District of South Carolina entering any and all orders that may be necessary to effect the transactions contemplated by this Agreement. Such court orders shall prove that the sale and conveyance of the Property to the Purchasers is free and clear of liens, encumbrances and interests pursuant to 11 U.S.C. Sections 363(b) and (f) and that the Purchasers are not successors in business to the Santee River Rubber Company, LLC and shall have no liability for any acts of the Santee

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River Rubber Company, LLC, including without limitation, acts or omissions relative to the transportation or disposal of any waste materials at any site, other than the Land. The Purchaser will receive the Land subject to any existing environmental liabilities associated with the Land; however, except as may be imposed by state or federal law, the Purchaser is not contractually assuming personal liability for existing environmental conditions other than the Purchaser's responsibility to correct or remediate the items, conditions and/or matters identified in Exhibit C to the Agreement for the Purchase and Sale of Real Property, and the Seller is assigning to the Purchaser the rights and interest of the Debtor's bankruptcy estate in those certain funds held in trust (the "Trust Fund") by the South Carolina Department of Health and Environmental Control ("DHEC") in the approximate amount of \$31,000.

Recovery Technologies (Canada), Inc. asserts that it has licensed intellectual property incorporated into the cryogenic units. EPS asserts that it has a patent on certain manufacturing processes, and the license to use Process and Apparatus for Making Crumb Rubber from Vehicle Tires is being sold as part of the Equipment Purchase Agreement.

SALES PRICE: \$3,400,000.00 ("Purchase Price"); more specifically, \$2,000,000.00 for the Debtor's machinery and equipment and \$1,400,000.00 for the Debtor's land and buildings. Note that as part of the Purchase Price, Bank of New York, as indenture trustee for various bondholders ("BNY"), has agreed to take back a first mortgage on the real property in the amount of \$980,000, BNY presently holds the first mortgage on the real property. The note, the mortgage securing the note, and other related documents call for monthly payments of \$8,505.00 beginning August 1, 2002, and ending March 1, 2004, at which time a balloon payment is due. Copies of the note, mortgage, and other related documents are intentionally not included in this notice package as they would be of no interest to creditors of the estate. The documents are in the possession of the Trustee and will be made available to potential bidders or other interested parties upon written request. Prior to the sale hearing, the Trustee will file a complete set of the documents with the Court.

Any party may make a competing bid, but bids must be made pursuant to certain sales procedures as set forth more fully below in the Sales Procedures section of this notice. A copy of the Order Establishing Bidding and Other Sales Procedures is attached as Exhibit 3 to this Notice. It is the intent of the Trustee that any party making a competing bid shall be required to have its bid be consistent with the terms of Exhibits 1 and 2 to this Notice. Parties should note that in addition to the collateral documents described in the previous paragraph of this Notice, there are references in Exhibits 1 and 2 to other exhibits which are intentionally not included in this notice package as they would be of no interest to creditors of the estate. The documents are in the possession of the Trustee and will be made available to potential bidders or other interested parties upon written request. Prior to the sale hearing, the Trustee will file a complete set of the documents with the Court.

APPRAISED VALUE: Trustee does not have an appraisal for the assets.

BUYERS: Recovery Technology Group of South Carolina, Inc. is the Buyer under the Equipment Purchase Agreement and Santee River Facility, L.L.C. is the Purchaser under the Agreement for the Purchase and Sale of Real Property (hereinafter collectively the "Buyer" or "Purchaser") or its assigns. Parties should note that although there are two entities proposing to buy the assets shown in Exhibits 1 and 2, the Trustee is treating this Notice as two (2) halves of a single sale agreement. The Buyer has no connection with the Debtor or the Trustee.

PLACE AND TIME OF SALE: Closing will occur as soon as possible after Court approval with a projected closing date of February 28, 2002, at a location and time mutually convenient to the parties.

SALES AGENT/AUCTIONEER/BROKER: None.

COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER: N/A

ESTIMATED TRUSTEE'S COMMISSION ON SALE: None

LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY: The lien of BNY fully encumbers all assets being sold, and such lien will attach to the net sales proceeds. BNY's loan balance is significantly in excess of the purchase price. BNY consents to the sale. O.L. Thompson and Watts Industrial assert junior lien interests on the property, but they will receive no proceeds in their capacity as secured creditors from this sale.

DEBTOR'S EXEMPTION: None.

PROCEEDS ESTIMATED TO BE PAID TO ESTATE: \$3,400,000, minus any closing costs and taxes due and owing on the assets.

SALES PROCEDURES:

(a) Any proposals from any persons or entity(ies) other than Buyer to purchase the assets shall (A) be made in writing; (B) contain the same essential terms and conditions as the Agreement, other than the identity of the Buyer and the amount of the purchase price; (C) exceed the Purchase Price by at least One Hundred Fifty Thousand and no/100 (\$150,000) Dollars; (D) contain, as an earnest money deposit, certified funds equaling 10% of the proposal; (D) include evidence satisfactory to Seller of the financial ability of the person or entity submitting the proposal to consummate the purchase for cash; and (E) be delivered to Seller and Buyer no later than the close of business of the fifth business day preceding the above-scheduled hearing on this Application.

(b) Providing that, upon receipt of any proposal that conforms to Section (a) above, the Buyer shall have the unconditional right to submit an overbid proposal by delivering to Seller no later than the beginning of the auction hearing an amended Agreement in which the Buyer's amended purchase price exceeds such proposal by a minimum of Fifty Thousand Dollars and no/100 (\$50,000). However, any higher offers specified in such amended Agreement itself shall be subject to the Seller's acceptance of a still higher and better offer submitted during the Auction in compliance with this Section; provided, however, that such higher and better offer shall equal the sum of: (i) the purchase price under the amended Agreement; plus (ii) an additional amount of at least \$50,000 (a "Yet Higher Offer"). In the event of a Yet Higher Offer, the process set forth in the immediately preceding sentence shall continue, with Buyer having the continuing right to submit an overbid proposal, unless and until such time as the Buyer or any other offeror elects not to make a further bid. In the event that any other person or entity obtains the assets other than due to a breach of this

Agreement by Buyer, Buyer shall be entitled to an administrative claim in the Bankruptcy Case as reimbursement of Buyer's reasonable expenses up to \$100,000, subject to Court approval ("Reimbursement Fee"). This Reimbursement Fee shall serve as reimbursement for Buyer's expenses in entering into this Agreement, and for the benefit to Seller that this Agreement created in attracting other bids over and above the Purchase Price, which benefit Seller acknowledges. To obtain approval by the Court of the Reimbursement Fee, the Buyer must have (a) been outbid at the sale by a third-party and (b) submitted to the Court and served upon creditors an application for reimbursement of expenses.

(c) Any successful bidder at the auction shall be required to pay at the auction in certified funds, an earnest money deposit equal to 10% of the successful bid. As such, in order to ensure that a bidder's offer is accepted, bidders shall bring to the auction certified funds in an amount equal to 10% of the highest bid they are willing to make at the auction.

(d) Trustee will request the Court to approve a "back up" bid, if one is received. This "back up" bid will be consummated by the parties without the necessity of obtaining another order from this Court if the successful bidder is unable to close within a reasonable period of time after the Court enters its order approving the sale of the assets.

Trustee is informed and believes that it would be in the best interest of the estate to sell said property by public sale, and such a sale has been proposed in the Trustee's Plan of Reorganization and amendments thereto. The Court may consider additional offers at the hearing held on this notice and application for sale. The Court may order at any hearing that the property be sold to another party on equivalent or more favorable terms.

The above-described sale is pursuant to the terms of the Trustee's Plan of Reorganization. Pursuant to 11 U.S.C. §1146(c), the transfer of property under a confirmed plan, may not be taxed under any law imposing a stamp tax or similar tax.

The Trustee may seek appropriate sanctions or other similar relief against any party filing a spurious objection to this notice.

WHEREFORE, Trustee requests the Court issue an order authorizing sale of said property and such other and further relief as may be proper.

Service Date: January 23, 2002

Columbia, South Carolina
January 23, 2002

ROBINSON BARTON MCCARTHY & CALLOWAY, P. A.



G. William McCarthy, Jr., District Court I.D.#2762
Chapter 11 Trustee
Post Office Box 12287
Columbia, South Carolina 29211-2287
(803) 256-6400

Address of Bankruptcy Court:

J. Bratton Davis United States Bankruptcy Courthouse
Post Office Box 1448
Columbia, South Carolina 29202

EQUIPMENT PURCHASE AGREEMENT

EXHIBIT 1
(13 pages)

THIS EQUIPMENT PURCHASE AGREEMENT (the "Agreement") is made and entered into effective as of January 22, 2002 (the "Effective Date"), by and between **G. WILLIAM MCCARTHY, JR. AS BANKRUPTCY TRUSTEE FOR SANTEE RIVER RUBBER COMPANY, LLC**, a South Carolina limited liability company and any successor thereto (the "Seller"), and **RECOVERY TECHNOLOGIES GROUP OF SOUTH CAROLINA, INC.**, a Delaware corporation (the "Buyer").

RECITALS

WHEREAS, the Seller is the owner of certain machinery and equipment, located on or around a Facility, consisting of approximately 29.21 acres located in Moncks Center, Berkeley County, South Carolina (the "Santee River Facility"), including equipment listed on **EXHIBIT A** attached hereto; and

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller, all of the machinery and equipment currently existing and owned by the Seller, housed in or around the Santee River Facility;

NOW, THEREFORE, in consideration of the making of this Agreement and other good and valuable consideration, including the undertakings herein contained, the parties agree as follows, intending to be legally bound:

AGREEMENT

1. **PURCHASE AND SALE OF THE EQUIPMENT.** Upon and subject to the terms and conditions set forth in this Agreement, on the Closing Date (as defined and described below in Section 5), the Seller will sell, transfer, convey, assign, and deliver to the Buyer, and the Buyer will purchase and accept from the Seller, all machinery and equipment currently existing and owned by the Seller, housed in or around the Santee River Facility, including without limitation all machinery and equipment identified on the attached **EXHIBIT A**, all as the same shall exist on the Closing Date and the assignments of any licenses to use patents relating to such equipment (collectively, the "Equipment"). The Buyer understands that an insubstantial amount of equipment, listed on **EXHIBIT A**, may no longer be at the Santee River Facility for a variety of reasons. No adjustment will be made in the Purchase Price if the value of such equipment is less than \$10,000 in the reasonable opinion of the Buyer.

2. **NO ASSUMPTION OF LIABILITIES BY THE BUYER.** The Seller will retain and fulfill all obligations and responsibilities for any and all claims, debts, defaults, duties, or liabilities of or related to the Equipment which exist as of the Closing Date.

This duty of the Seller to retain and fulfill all of the obligations and responsibilities which are described above in this Section 2 and which exist as of the Closing Date will include, without limitation, all taxes which concern the Equipment or the Seller, including without limitation any

sales and use tax liabilities and any transfer taxes related to the sale of the Equipment under this Agreement that are imposed by law or customary business practices upon the Seller.

3. **PURCHASE PRICE.** The Buyer agrees to pay the Seller the sum of Two Million Dollars (\$2,000,000.00) in connection with the transactions described in this Agreement (the "Purchase Price"), which will be allocated among the specific items and the general categories of the Equipment being purchased and transferred in the manner described in the **EXHIBIT B**. At the option of the Buyer and the Seller, **EXHIBIT B** may be attached to this Agreement, post closing.

4. **PAYMENT TERMS.** Not later than January 10, 2002, the Buyer shall deliver Two Hundred Thousand and no/100 Dollars (\$200,000.00) to the Seller pursuant to written instructions delivered to the Buyer by the Seller. If the Buyer is the successful bidder, the Buyer shall wire transfer additional funds to increase said deposit to ten percent (10%) of the purchase price on the first business day following court approval. Such deposit shall be held in an interest trust account with the interest accruing to the benefit of the Buyer. If the Buyer is not the winning bidder, the deposit shall be returned to the Buyer. On the Closing Date (as defined and described below in Section 5), the Buyer will pay the Seller the Purchase Price, using a wire transfer of immediately available funds, a certified check, a cashier's check or some other mutually satisfactory method of payment. If the Buyer, after being selected as the successful bidder, fails to close, other than for the fault of another party, the deposit may be retained by the Seller as liquidated damages.

5. **THE CLOSING AND THE CLOSING DATE.** The completion of the transactions contemplated in this Agreement (the "Closing") will take place not later than the later of: (a) five (5) business days after all conditions precedent have been satisfied, or waived by the Buyer in its sole discretion, and (b) February 15, 2002 at the offices of Nexsen, Pruet, Jacobs & Pollard, LLC, 200 Meeting Street, Suite 301, Charleston, South Carolina, 29401, or at such other time and place as the parties may otherwise agree upon (the "Closing Date").

6. **REPRESENTATIONS AND WARRANTIES REGARDING THE SELLER AND THE EQUIPMENT.** As a material inducement to the Buyer to enter into this Agreement, and with the understanding that the Buyer will be relying thereon in completing the Closing, the Seller makes all of the following representations and warranties to and covenants with the Buyer, without any exceptions.

(a) **Organization and Standing.** The Seller is a South Carolina limited liability company duly organized and validly existing, and in good standing under the laws of the State of South Carolina.

(b) **Legal Authority.** The Seller, upon receipt of the necessary court approval, will have the full legal power and authority to enter into this Agreement, and to undertake and complete the transactions described and defined in it.

(c) **Validity:** This Agreement constitutes the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or principles of equity affecting the rights of creditors generally.

(d) **Title to the Equipment and Warranties relating thereto.** The Seller will convey to the Buyer title to all of the Equipment and any warranties relating thereto still in existence, free from all liens, charges, pledges, security interests, claims, and encumbrances of every kind.

(e) **Condition of the Equipment.** The Buyer acknowledges that it is purchasing the Equipment on an "AS-IS, WHERE-IS," basis.

(f) **Legal Proceedings.** There are no lawsuits pending against the Seller that may adversely affect its ability to sell the Equipment as contemplated by this Agreement.

(g) **No Violation.** To the best of the Seller's knowledge, the execution and delivery of this Agreement does not contravene any provision of, or constitute a default under any valid order of any court.

(h) **Complete and Accurate Disclosure.** No representation or warranty of the Seller given in 6 (a) to (d), both inclusive and 6 (f) and no document prepared by the Seller under this Agreement is or will be false or inaccurate in any material respect, or contains or will contain any untrue statement of a material fact, or omits or will omit to state any fact necessary to prevent the statements contained in the representation, warranty, or document from being misleading.

(i) **Accuracy of the Representations and Warranties.** The representations and warranties contained in Section 6 (a) to (d), both inclusive and 6 (f), are true, accurate, and correct on the Effective Date of this Agreement, and will be true, accurate, and correct on and as of the Closing Date, unless the Buyer agrees, in the Buyer's sole discretion, to complete the Closing in spite of changes to the representations and warranties contained in this Section 6.

(j) **Updating of the Representations and Warranties.** The representations and warranties contained in Section 6 (a) to (d), both inclusive and 6 (f), will be updated and revised as necessary in writing by the Seller prior to the Closing Date, will be restated by the Seller on and as of the Closing Date, and will be true, correct, and accurate on and as of the Closing Date.

7. REPRESENTATIONS AND WARRANTIES OF THE BUYER.

(a) **Organization and Standing.** The Buyer is a Delaware corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, and has qualified to do business as a foreign corporation in the State of South Carolina. The Buyer has all required legal power and authority to own its property and to carry on its business operations as they are now being conducted.

(b) **Legal Authority.** The Buyer has full legal power and authority to enter into this Agreement, and to undertake and complete the transactions described and defined in it. The execution, delivery, and performance of this Agreement, the conveyance, transfer, and delivery of the Equipment provided for in this Agreement, and

the other transactions provided for in this Agreement, will be duly authorized in all respects by the Board of Directors of the Buyer by the Closing Date.

(c) **Updating of the Representations and Warranties.** The representations and warranties contained in this Section 7 will be updated and revised as necessary in writing by the Buyer prior to the Closing Date, will be restated by the Buyer on and as of the Closing Date, and will be true, correct, and accurate on and as of the Closing Date.

(d) **Due Authorization:** The Buyer has taken all actions required to be taken by it under law, its Certificate of Incorporation and Bylaws, or otherwise, and has obtained all approvals and consents necessary to authorize the execution, delivery and performance of this Agreement by it and the consummation of the transactions contemplated hereby, except such approvals and consents the absence of which would not have a material adverse effect on the Buyer, or upon the Buyer's ability to perform its obligations hereunder

(e) **Validity:** This Agreement constitutes the legal, valid and binding obligation of the Buyer, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or principles of equity affecting the rights of creditors generally.

(f) **No Violation.** The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on the Buyer, or any valid order of any court, or any regulatory agency or other body having authority to which the Buyer is subject.

8. **SURVIVAL OF REPRESENTATIONS, WARRANTIES, AGREEMENTS, AND CLAIMS.** All representations, warranties, and agreements made in Section 6 (a) to (d), both inclusive and 6 (f), and Section 7 in this Agreement will survive the termination of the Agreement, and will survive the Closing Date. The parties will therefore be able to pursue claims related to those representations, warranties, and agreements after the termination of this Agreement, and after the Closing Date, unless those claims are barred by the applicable statutes of limitation.

Similarly, any claims that the parties have against each other that arise out of the actions or omissions that take place while this Agreement is in effect will survive the termination of this Agreement, and will survive the Closing Date. This means that those claims may be pursued by the parties even after the termination of this Agreement, and even after the Closing Date, unless they are barred by the applicable statutes of limitation.

9. **GOOD FAITH EFFORTS.** Each party, or the appropriate party will use its good faith efforts:

(a) to perform or cause to be satisfied each covenant or condition to be performed or satisfied by it pursuant to this Agreement; and

(b) to take all other steps that are necessary or advisable in order to complete the Closing.

10. **NOTICE OF CHANGES.** Each party will immediately give notice to the other party of the occurrence of any event or the failure of any event to occur that constitutes a failure by it to comply with any covenant, condition, or agreement contained in this Agreement, or that otherwise results in or will result in the failure of any condition to the completion of the Closing from being satisfied.

11. **CONDITIONS TO OBLIGATIONS TO CLOSE.** The respective obligations of the Buyer and the Seller to complete the Closing and the other transactions described in this Agreement are, at the respective option of each party, subject to the satisfaction or waiver of each of the following conditions on or before the Closing Date (or on or before such earlier date as may be indicated below).

(a) **Due Diligence.** The Buyer has concluded its pre-Closing due diligence with respect to the Equipment. The Equipment is satisfactory. Such due diligence and such conclusion by the Buyer will not relieve the Seller from liability for breach of any of the representations, covenants, warranties or agreements made by the Seller in this in Section 6 (a) to (d), both inclusive and 6 (f) of this Agreement.

(b) **Land Purchase Agreement.** The Seller and Santee River Facility, LLC must have entered into an agreement to transfer title to the Santee River Facility from the Seller to Santee River Facility, LLC. Such agreement must have been approved by the United States Bankruptcy Court for the District of South Carolina and transfer of title must be completed contemporaneously with the transactions contemplated under this Agreement.

(c) **Court Orders.** The Seller shall have received final, nonappealable orders from the United States Bankruptcy Court for the District of South Carolina, reasonably satisfactory in form and substance to the Buyer's special counsel, Nexsen, Pruet, Jacobs & Pollard, LLC, authorizing the transactions contemplated by this Agreement.

(d) **Execution and Delivery of Closing Documents.** Each party must have executed and delivered the documents described in Section 13 (b) below, and elsewhere in this Agreement, which are required in connection with the Closing (the "Closing Documents").

(e) **Transfer of the Equipment.** The Buyer must have received such instruments of sale, conveyance, transfer, and assignment, in a form reasonably satisfactory to the Buyer, as are necessary or desirable to vest in the Buyer title to all of the Equipment.

(f) **Removal of a portion of the Equipment.** It is the Buyer's present intention to remove two of the three cryogenic lines presently located at the Santee River Facility to other locations. The Buyer may remove such cryogenic lines and such structural support steel related to such cryogenic lines as it deems necessary for the support of the cryogenic lines when the Buyer installs the cryogenic lines at its other facilities, provided that such removal will not affect the structural integrity of the Santee River Facility. The Seller shall permit the Buyer such access without any fees.

Where control panels are furnished with cryogenic lines to be removed, the Buyer will be permitted to remove all interconnecting wiring and conduit between the control panels and such cryogenic lines. The Buyer will also be permitted to remove control panels for secondary cryogenic grinders (Microtec units) related to such cryogenic lines. The Buyer will have no liability to the owner of the Santee River Facility for property damage, personal injury, or any other type of damages related to the removal of the cryogenic lines from the Santee River Facility, except to the extent caused by the Buyer's gross negligence or willful misconduct.

The Buyer shall remove any equipment that it may choose to remove at its sole expense and shall indemnify the Seller and the owner of the Santee River Facility from and against any liabilities that may arise while transporting such equipment to a new location.

(g) Consent of Recovery Technologies (Canada), Inc. The consummation of the sale will be conditioned upon the receipt by the Buyer of a written consent executed by Recovery Technologies (Canada), Inc. and in form and substance acceptable to the Buyer consenting to the assumption and the assignment to the Buyer of the licensed intellectual property (the "Licensed Property") owned by Recovery Technologies (Canada), Inc. and incorporated into the cryogenic units that constitute a portion of the Equipment and the removal of the two cryogenic lines to their new locations. The Seller does not confirm or deny the validity of such license.

(h) The Lease Agreement. The Buyer and the Seller intend that this Equipment Purchase Agreement shall be signed and filed with the United States Bankruptcy Court for the District of South Carolina concurrently with the signing and filing of an Agreement for the Purchase and Sale of Real Property between the Seller and Santee River Facility, LLC. Assuming approval of said Agreement for the Purchase and Sale of Real Property, the Buyer has entered into a written Lease Agreement with Santee River Facility, LLC for the leasing of the Santee River Facility in a form satisfactory to the Buyer and Santee River Facility, LLC. Such Lease is contingent only upon approval by the United States Bankruptcy Court for the District of South Carolina of the sale of the land to Santee River Facility, LLC as described in Section 11 (b) above.

(i) Obligations, Covenants, Representations, and Warranties. Each party must have performed all of its obligations and complied with all of its covenants contained in this Agreement to be performed or complied with prior to the Closing Date, and each party's representations and warranties made under this Agreement must be true and correct in all material respects.

(j) No Pending or Threatened Litigation. No action may have been threatened or instituted by any governmental agency or any other person challenging the legality of the Closing or any part of it, seeking to prevent or delay the completion of the Closing, or seeking to obtain divestiture or other relief in the event of the completion of the Closing.

(k) No Material Adverse Changes. There must not have been any material adverse changes to the Equipment between the Effective Date of this Agreement and the Closing, except changes made by the Buyer.

(l) **Insurance.** The Trustee will provide insurance coverage on the Equipment and on the Santee River Facility until the Closing Date. It will be the Buyer's responsibility to insure the Equipment after the Closing Date. It will be the responsibility of Santee River Facility, LLC to insure and the Santee River Facility after the Closing Date.

12. **INDEMNIFICATION.**

(Intentionally omitted)

13. **THE CLOSING.**

(a) **Date, Time, and Place of the Closing.** Unless this Agreement is terminated as provided in Section 15, and subject to the satisfaction or waiver of all of the conditions to the Closing which are set forth in this Agreement, the Closing will take place on the Closing Date, at the time and at the location described in Section 5. The Closing will not be deemed to have occurred until all of the requirements and conditions of this Agreement have been satisfied.

(b) **Actions to be Taken at the Closing.** On the Closing Date, subject to the satisfaction or waiver of the conditions to the obligations of the parties, each party to this Agreement will deliver to the other party any and all documents or showings as may be required of each party by the terms of this Agreement, or as may be reasonably requested by the other party to evidence that all of the conditions for the completion of the transactions described in this Agreement have been satisfied or waived, including, without limitation, the following:

(i) **Instruments of Transfer Relating to the Equipment.** The Seller will execute and deliver to the Buyer appropriate instruments of transfer relating to all of the Equipment to be transferred to the Buyer by the Seller, in such form as is satisfactory to the Buyer, and reasonably necessary to transfer the Equipment from the Seller to the Buyer. This will include but not necessarily be limited to a Bill of Sale conveying all of the Equipment from the Seller to the Buyer, in the form attached to this Agreement as **EXHIBIT C**.

The required transfer may also include Certificates of Title for any Equipment for which title must be transferred through the use of Certificates of Title. All such Certificates of Title must sell, convey, and transfer title to the applicable Equipment to the Buyer, free and clear of all liens, charges, pledges, security interests, claims, and encumbrances of every kind.

(ii) **The Purchase Price.** The Buyer will deliver to the Seller the Purchase Price described in Section 4 above.

(iii) **The Buyer's Officer's Certificate.** The Buyer will execute and deliver to the Seller a Buyer's Officer's Certificate signed by an authorized officer of the Buyer. This Buyer's Officer's Certificate must:

(1) update the representations and warranties of the Buyer under this Agreement in a manner that is consistent with Section 8(c), and satisfactory to the Seller;

(2) certify the proper authorization and approval of this Agreement and the transactions contemplated by it, in the manner described above in Sections 8(b) and 12(b); and

(3) certify the names and offices of the incumbent officers of the Buyer.

(iv) **The Seller's Certificate of Good Standing.** The Seller will deliver to the Buyer a current certificate issued by the South Carolina Secretary of the State, which verifies that the Seller is validly subsisting under the laws of the State of South Carolina.

(vi) **Certified Copies of Court Orders.** The Seller will deliver to the Buyer certified copies of the court orders referred to in Section 12. (c) above.

(vii) **The Buyer's Certificates of Good Standing.** The Buyer will deliver to the Seller:

(i) a current Certificate of Good Standing issued by the Delaware Secretary of State, which verifies that the Buyer is in good standing under the laws of the State of Delaware; and

(ii) a current certificate issued by the South Carolina Secretary of the State, which verifies that the Buyer has qualified to do business in the State of South Carolina as a foreign corporation and remains subsisting.

(viii) **Other Documents and Deliveries.** Each of the Seller and the Buyer will deliver to the other party such other documents and deliveries, including but not limited to third-party consents, as may be necessary or appropriate to complete the transactions described in this Agreement, as such other party may reasonably request.

14. **POST-CLOSING COOPERATION.** Both parties agree to promptly comply with reasonable requests from the other party to provide additional information or to execute and deliver additional documents after the Closing, in connection with the completion of the transactions described in this Agreement.

15. **TERMINATION.**

(a) **Grounds for Termination.** This Agreement will be terminated, and the transactions described in it will be abandoned, if at any time prior to the Closing:

(i) The parties mutually agree in writing to terminate this Agreement;

(ii) Either party delivers a written notice to the other party to the effect that:

(1) one or more of the conditions to its obligations as set forth in this Agreement cannot be met;

(2) the other party has defaulted in a material respect under one or more of its covenants or agreements contained in this Agreement; or

(3) any of the representations or warranties of any party are or have become materially untrue or incorrect as of the date of such notice;

and in any case such conditions, covenants, or agreements have not been satisfied, such default or defaults have not been remedied, or such representation or warranty has not been rendered true and correct, within thirty (30) days after such notice is received; or

(4) The Closing described in this Agreement has not occurred prior to February 15, 2002, or by such later date as the parties may mutually agree upon in writing.

(b) **Effect of Termination.** If this Agreement is terminated pursuant to Section 15 (a) above, all rights and obligations of the parties under this Agreement will terminate without any liability of either party to the other (except for any liability of a party then in breach).

16. **CUMULATIVE REMEDIES.** The parties agree that in the event of a breach of this Agreement which is not cured within the cure period described in Section 15(a), the party adversely affected by the breach will not be required to elect a single remedy. Instead, that party will be entitled to pursue any and all available legal or equitable remedies. The parties agree that the specific mention of certain remedies in this Agreement will not in any way prevent the parties from pursuing any other remedies that may be available to them, but that may not have been specifically mentioned in this Agreement.

17. **MISCELLANEOUS PROVISIONS.**

(a) **Waiver of Conditions.** Any party may, at its option, waive in writing any and all of the conditions contained in the Agreement to which its obligations under this Agreement are subject. A party, by completing the Closing, will be deemed to have waived any breach of a covenant or condition of which such party received written notice prior to the Closing Date, if the written notice specifically referred to this Section 17, and described the breach in reasonable detail.

(b) **Amendment.** The parties by mutual consent may amend, modify, or supplement this Agreement in any such manner as may be agreed upon by them in writing.

(c) **Binding Nature; Successors and Assigns.** This Agreement will be binding upon and will inure only to the benefit of the parties to this Agreement, and their respective successors and permitted assigns.

(d) **No Assignment Without Consent.** Neither party may assign any or all of its rights or obligations under this Agreement without the written consent of the other party to this Agreement.

(e) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(f) **Entire Agreement.** This Agreement and the documents referred to in it set forth the entire understanding of the parties to this Agreement with respect to the matters provided for in this Agreement and the documents referred to in it. Further, this Agreement and the documents referred to in it supersede all prior agreements, covenants, arrangements, communications, representations, and warranties, whether oral or written, by any officer, employee, or representative of any party.

(g) **Notices.** All notices, requests, demands, and other communications given pursuant to this Agreement will be deemed to have been properly given if personally delivered, sent via facsimile, or mailed by certified or registered mail, with postage prepaid, to the recipient at the following addresses, or to such other address as may be designated in writing to the other party from time to time:

If to the Buyer:

Recovery Technologies Group of South Carolina, Inc.
7000 Boulevard East
Guttenberg, New Jersey 07093
Attention: Martin J. Sergi
Telephone No.: (201) 854-7777
Facsimile No.: (201) 854-1771

With a courtesy copy to:

Robert E. Wetzell
20 Braeburn Lane
Barrington Hills, Illinois 60010
Telephone No.: (847) 854-6798
Facsimile No.: (847) 658-1516

And

Nexsen, Pruet, Jacobs & Pollard, LLC
1441 Main Street
Suite 1500
Columbia, South Carolina 29201
Attention: Julio E. Mendoza, Jr.

Telephone No.: (803) 771-8900
Facsimile No.: (803) 253-8277

If to the Seller:

G. William McCarthy, Jr., as Bankruptcy Trustee
for Santee River Rubber Company, LLC
c/o Barton, McCarthy & Calloway
1715 Pickens Street
Columbia, South Carolina 29402
Attention:
Fax: (803) 779-0267
Tele: (803) 256-6400

All notices will be considered delivered once any officer of the party to which the notice was sent has received them.

(h) **Choice of Law.** This Agreement will be governed in all respects by and interpreted in accordance with the laws of the State of South Carolina.

(i) **Headings and Captions.** The section and subsection headings in this Agreement are for convenience only, and will not affect the meaning or the interpretation of this Agreement.

(j) **Interpretation.** This Agreement and any other documents related to it will be interpreted in a fair and neutral manner, without favoring one party over the other. No provision of this Agreement or any other document related to it will be interpreted for or against any party because the provision was drafted by that party, or its legal representatives.

(k) **Severability.** If any provision of this Agreement or any other document related to it is held to be invalid or unenforceable under any applicable law, that holding will not affect the validity or the enforceability of the rest of the Agreement or any other document. Also, any provision of this Agreement or any other document related to it which is held to be invalid or unenforceable will not be completely invalidated, but will instead be considered amended to the extent necessary to remove the cause of the invalidity or the unenforceability.

(l) **No Waiver.** If either party to this Agreement fails to insist upon strict performance of any obligation under this Agreement or any other document related to it, that failure will not result in a waiver of that party's right to demand strict performance in the future. This will still be the case, no matter how long the failure to insist upon strict performance continues.

(m) **Incorporation of Exhibits, Schedules, and Attachments.** The exhibits, schedules, and attachments to this Agreement are fully incorporated into this Agreement, and will be considered part of this Agreement by the parties.

18. **DISPUTE RESOLUTION.** The parties agree that time is of the essence in resolving any controversy, dispute or claim, and they shall proceed as expeditiously as possible to resolve such dispute among themselves. Any controversy, dispute or claim between the Buyer and the Seller that they are unable to resolve shall be submitted to the United States Bankruptcy Court for the District of South Carolina for resolution of disputes under this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed as of the day and year set out above.

ATTEST:

BUYER:

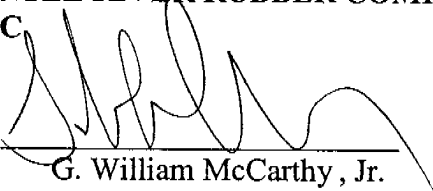
**RECOVERY TECHNOLOGIES
GROUP OF SOUTH CAROLINA, INC.**

By _____
Robert E. Wetzel
Secretary

By _____
Martin J. Sergi
Its President

SELLER:

**G. WILLIAM McCARTHY, JR. AS
BANKRUPTCY TRUSTEE FOR
SANTEE RIVER RUBBER COMPANY,
LLC**

By  _____
G. William McCarthy, Jr.
Its Trustee

FROM : BOB WETZEL

PHONE NO. : 847 658 1516

Jan. 17 2002 04:34AM P2

18. **DISPUTE RESOLUTION.** The parties agree that time is of the essence in resolving any controversy, dispute or claim, and they shall proceed as expeditiously as possible to resolve such dispute among themselves. Any controversy, dispute or claim between the Buyer and the Seller that they are unable to resolve shall be submitted to the United States Bankruptcy Court for the District of South Carolina for resolution of disputes under this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed as of the day and year set out above.

ATTEST:

BUYER:

**RECOVERY TECHNOLOGIES
GROUP OF SOUTH CAROLINA, INC.**

By

Robert E. Wetzel
Secretary

By

Martin J. Sergi
Its President

SELLER:

**G. WILLIAM McCARTHY, JR. AS
BANKRUPTCY TRUSTEE FOR
SANTEE RIVER RUBBER COMPANY,
LLC**

By

G. William McCarthy, Jr.
Its Trustee

SRRC EQUIPMENT

Date:	Nov. 9, 2001
Item No.	Description
1	Truck Dumper
2	Receiving Hopper
3	Manual Tire Conveyor
4	Walking Floor Conveyor
5	Chain Feed Conveyor
6	Tire Reversing Conveyor
7	Tire Transfer Conveyor
8	Tire Grading Conveyor
9	Barclay Feed Conveyor
10	Barclay Shredder
11	C. M. Feed Conveyor
12	C. M. Feed Conveyor
13	Metal Detector
14	Metal Detector
15	Culling Conveyor
16	Primary C.M. Shredder
17	Primary C.M. Shredder
18	Shredder Discharge Conveyor
19	Shredder Discharge Conveyor
20	Sec. C. M. Feed Conveyor
21	Sec. C. M. Feed Conveyor
22	Sec. C.M. Shredder
23	Sec. C. M. Shredder
24	Shredder Discharge Conveyor
25	Shredder Discharge Conveyor
26	Inclined Belt Wall Conveyor
27	Inclined Belt Wall Conveyor
28	Disc Screen Classifier
29	Disc Screen Classifier
30	Oversize Return Conveyor
31	Oversize Return Conveyor
32	Vibratory Feeder
33	Vibratory Feeder
34	Chip Dryer w/ Accessories
35	Chip Dryer w/ Accessories
36	Dryer Discharge Conveyor
37	Dryer Discharge Conveyor
38	Cross Belt Magnet
39	Cross Belt Magnet
40	Finger Screen
41	Finger Screen
42	Chip Return Conveyor
43	Chip Return Conveyor
44	Chip Transfer Conveyor
45	Chip Transfer Conveyor

EXHIBIT A
(3 pages)

46	Chip Storage Conveyor
47	Chip Shuttle Conveyor
48	Chip Storage Bin w/ Auger
49	Chip Storage Bin w/ Auger
50	Chip Storage Bin w/ Auger
51	Primary Freeze Chamber
52	Primary Freeze Chamber
53	Primary Freeze Chamber
54	Discharge Auger
55	Discharge Auger
56	Discharge Auger
57	Primary Cage Mill Grinder
58	Primary Cage Mill Grinder
59	Primary Cage Mill Grinder
60	Vibratory Feeder
61	Vibratory Feeder
62	Vibratory Feeder
63	Cross Belt Magnet
64	Cross Belt Magnet
65	Cross Belt Magnet
66	Steel Discharge Conveyor
67	Steel Discharge Conveyor
68	Transfer Conveyor
69	Sec. Dryer Feed Conveyor
70	Sec. Dryer w/ Accessories
71	Dryer Discharge Conveyor
72	Inclined Belt Wall Conveyor
73	Rotex Screener
74	Rotex Screener
75	Oversize Collection Conveyor
76	Fiber Transfer Auger
77	Screener Accepts Auger
78	Screener Accepts Auger
79	Forsberg Gravity Air Table
80	Forsberg Gravity Air Table
81	Forsberg Gravity Air Table
82	Fiber Bagging Station
83	-40 Mesh Auger
84	-40 Mesh Minox Screen
85	-40 Mesh Drum Magnet
86	-40 Mesh Bagging
87	Air Table Discharge Conveyor
88	Air Table Discharge Conveyor
89	Air Table Discharge Conveyor
90	Drum Magnet
91	Drum Magnet
92	Drum Magnet
93	Steel Collection Conveyor
94	Pneumatic Transfer System
95	MicroTec Fine Grind System
96	MicroTec Fine Grind System
97	MicroTec Fine Grind System
98	MicroTec Fine Grind System
99	MicroTec Fine Grind System

100	MicroTec Fine Grind System
101	Third Stage Dryer w/ Assess.
102	Third Stage Dryer w/ Assess.
103	Vibratory Feeder
104	Drum Magnet
105	Pneumatic Transfer System
106	Elcan Minox Screener
107	Elcan Minox Screener
108	Elcan Minox Screener
109	Elcan Minox Screener
110	Elcan Minox Screener
111	Elcan Minox Screener
112	Elcan Minox Screener
113	Elcan Minox Screener
114	Elcan Minox Screener
115	Elcan Minox Screener
116	Elcan Minox Screener
117	Elcan Minox Screener
118	Pneumatic Transfer System
119	Bagging System
120	Bagging System
121	Bagging System
122	Bagging System
123	Automatic Bagger
124	Automatic Bagger
125	Baghouse, Blower & Ductwork
126	Baghouse, Blower & Ductwork
127	Baghouse, Blower & Ductwork
128	Baghouse, Blower & Ductwork
129	Baghouse, Blower & Ductwork
130	Misc. Rotary Airlocks (40 +/-)
133	Manual Bagging System
134	Manual Bagging System
135	Storage Racks
136	80,000 Gal LN ₂ Storage Tank
138	Primary Switchgear
139	Motor Control Centers
140	Dual Truck Scales & Computer
141	Misc. Mobile Containers
142	Misc. Exhaust & Vent Fans
143	Laboratory Equipment
144	Floor Platform Scale
145	Misc. Steel Supports & Platforms
146	Major Structural Steel

EXHIBIT B
TO
EQUIPMENT PURCHASE AGREEMENT
INTENTIONALLY OMITTED

EXHIBIT C
TO
EQUIPMENT PURCHASE AGREEMENT
INTENTIONALLY OMITTED

**AGREEMENT FOR THE PURCHASE AND SALE
OF REAL PROPERTY**

EXHIBIT 2
(11 pages)

THIS AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this "Agreement") made and entered into this 22 day of January, 2002, by and between Santee River Facility, LLC, a Delaware limited liability company (the "Purchaser") and G. William McCarthy, Jr., as Chapter 11 Bankruptcy Trustee for the Chapter 11 Estate of Santee River Rubber Company, LLC (the "Seller").

STATEMENT OF PURPOSE

Santee River Rubber Company, LLC is a Debtor under Chapter 11 of the U. S. Bankruptcy Code (11 U.S.C. Sections 1101 et seq.), in Case No. 00-09624-W in the United States Bankruptcy Court for the District of South Carolina. Its bankruptcy estate is the owner in fee simple of that certain tract or parcel of land in Moncks Corner, lying and being in Berkeley County, South Carolina containing approximately 29.21 acres and being more particularly described by Exhibit A attached hereto and by reference made a part hereof (the "Land"). The Seller is the Chapter 11 Bankruptcy Trustee for the bankruptcy estate, and is acting on behalf of the bankruptcy estate in the matters are the subject of this Agreement. The Purchaser desires to purchase from the Seller the Property (as enumerated in Article 1.2 herein), and the Seller desires to sell and convey the same to the Purchaser pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

As used herein the following terms shall have the following meanings.

1.1 **Property**. The Property shall consist of:

- (a) The Land described by Exhibit A;
- (b) All rights, privileges and easements appurtenant to the Land, including all rights, rights-of-way, roadways, roadbeds, and reversions (the "Appurtenant Rights");
- (c) All improvements on or within the Land (the "Improvements");
- (d) All trees, timber and crops located on the Land;
- (e) All oil, gas and mineral rights with respect to the Land.

- 1.2 Purchase Price. - One Million Four Hundred Thousand and no/100 Dollars (\$1,400,000.00), to consist of a note for Nine Hundred Eighty Thousand and no/100 Dollars (\$980,000.00), as more fully described in Article 5, and cash for the remaining balance of the Purchase Price.
- 1.3 Earnest Money. - One Hundred Forty Thousand and no/100 Dollars (\$140,000.00) to be delivered to the Seller to the Seller pursuant to written instructions delivered to the Buyer by the Seller not later than January 10, 2002.
- 1.4 Broker. - None.
- 1.5 Effective Date. - The later of the dates on which the Purchaser and the Seller have each accepted, signed and delivered this Agreement and the Bankruptcy Court for the District of South Carolina has entered a Final Order approving this Agreement.
- 1.6 (Intentionally deleted.)

ARTICLE II

PURCHASE AND SALE

2.1 Purchase and Sale. In consideration of the promises and mutual covenants and agreements herein contained, the Seller agrees to sell and the Purchaser agrees to buy the Property for the Purchase Price subject to the terms and conditions hereof.

ARTICLE III

SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

In order to induce the Purchaser to enter into this Agreement and to purchase the Property, the Seller hereby makes the following representations, warranties and covenants with respect to itself or the Property, as the case may be, each of which is material and is relied upon by Purchaser:

3.1 Title to Property. The Seller, as Chapter 11 Trustee, is the owner of the Property, and shall convey fee simple title to the Property to the Purchaser by a Trustee's limited warranty deed subject only to (i) the lien of current and future real property taxes which are not due and payable; (ii) "roll back" taxes, if any, which are not yet due and payable; (iii) all recorded easements, rights-of-way, restrictive covenants and other encumbrances of record (other than liens securing or evidencing a liquidated claim or indebtedness, all of which shall be satisfied at Closing); and (iv) all applicable zoning and land use ordinances including, without limitation, statutes or regulations designating or establishing wetland areas ((i) through (iv) collectively being referred to as "Permitted Encumbrances"). The Buyer has agreed to look to the title insurer solely as to the status of title. The Buyer understands that the current status of title is as indicated on the commitment for title insurance issued by Lawyers Title Insurance Corporation and attached hereto as Exhibit B. The Buyer will accept such title commitment, subject only to the deletion of any and all exceptions that constitute

liens for debt against the Seller. The Seller expresses no opinion as to the correctness of said commitment for title insurance.

3.2 Authority of Seller. The Seller will have the right, power and authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions hereof upon receipt of appropriate orders to be entered by the Bankruptcy Court for the District of South Carolina.

3.3 Options; Leases. The Seller has not granted any options, rights of first refusal, or other contracts which give any other party a right to purchase any interest in the Land or any part thereof, other than the Equipment Purchase Agreement dated as of January 16, 2002, by and between the Chapter 11 Estate of Santee River Rubber Company, LLC and Recovery Technologies Group of South Carolina, Inc. There are no leases or other contracts in effect with respect to all or any part of the Land.

3.4 Condemnation Proceedings. There are no condemnation or eminent domain proceedings pending against the Property or any part thereof and Seller has received no notice, oral or written, of the desire of any public authority or other entity to take or use the Property or any part thereof.

3.5 Pending Litigation. There is no claim, litigation, or other proceeding, the probable outcome of which will have a material adverse effect on the value of the Property or its intended use pending or, to the actual knowledge of the Seller, threatened before any court, commission, or other body or authority, and, further, the Seller has not received written notification of any asserted failure of the Seller or the Property to comply with applicable laws (whether statutory or not) or any rule, regulation, order, ordinance, judgment or decree of any federal, municipal or other governmental authority.

3.6 No Defaults. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance, rule, judgment, decree, or order that is actually known to the Seller.

3.7 Events Prior to Closing. The Seller will not cause or permit any action to be taken which would cause any of the Seller's representations or warranties contained in this Article III to be materially untrue as of the Closing. The Seller agrees immediately to notify the Purchaser in writing of any event or condition which occurs prior to Closing hereunder, which causes a material change in the facts related to, or the material truth of, any of the Seller's representations.

3.8 Hazardous Substances. The Property shall be sold as is, where is, unconditionally and with all faults. The Seller hereby warrants that it has no actual knowledge of any substances or materials being stored, buried, or discharged on or under the Property, other than as listed on Exhibit C, which would be termed hazardous substances by any state, federal, or municipal statutes or regulations except in a manner permitted by said statutes and regulations nor, to the actual knowledge of the Seller, has any other party stored, buried, or discharged such substances in any material way on or under the Property, nor to the knowledge of the Seller has the Property been used

at any time by any party as a landfill or waste disposal site; provided, however, the Purchaser acknowledges that the Seller has neither made nor obtained a survey, report or study of his own regarding the environmental condition of Property. In exchange for the assignment to the Purchaser of the interest of the debtor's bankruptcy estate in certain funds which are being held in trust by the South Carolina Department of Health and Environmental Control in the approximate amount of \$31,000.00, the Purchaser shall: (a) assume all costs for correcting the conditions listed on Exhibit C; (b) dispose of all waste and scrap tires on the Land and relieve the Seller of his obligation to deliver the Land in a broom clean condition. The Purchaser shall indemnify the Seller from and against any and all claims asserted against the Seller in connection with such conditions. This indemnity shall survive the Closing for a period of one year.

ARTICLE IV **PURCHASER'S INSPECTIONS**

4.1 Survey of Property. The Purchaser shall obtain an updated survey for the Property on or before the date of Closing, made by a registered land surveyor at the Purchaser's expense (hereinafter referred to as the "Survey") in form acceptable to the Purchaser's title company and to the Purchaser's proposed mortgagee, sufficient to remove any survey exceptions. The Survey shall be certified to the Purchaser's title company and to the Purchaser's proposed mortgagee in a manner reasonably acceptable to such parties. The Purchaser has ordered the updated Survey, though the Survey has not yet been received.

4.2 Title.

(a) The Purchaser has received a commitment for title insurance referred to Section 3.1 relating to title to the Property. Such title commitment shall be reasonably acceptable to the Purchaser and to the Purchaser's proposed mortgagee. The Purchaser or the Purchaser's proposed mortgagee shall also have the right to object, at any time, to any title exceptions (other than a Permitted Encumbrance) created, suffered or discovered between the date of the title commitment obtained by the Purchaser and the date of Closing. In the event that the Purchaser gives such notice of objection to any title exception, the Seller shall cure or remove such exception at or prior to Closing at the Seller's cost. If the Seller is unable to cure such title exception, the Purchaser, at Purchaser's sole election, may elect to not proceed with Closing by providing written notice of termination to the Seller.

(b) So long as this Agreement remains in force, the Seller will not lease, license, encumber or convey all or part of the Property or any interest therein, or enter into any agreement, other than Equipment Purchase Agreement dated as of January 22 2002, granting to any person any right with respect to the Property or any portion thereof, without the prior written consent of the Purchaser.

4.3 Inspection. The Purchaser and its agents, representatives, employees, engineers and contractors will have the right to enter upon the Property to inspect, examine, survey and make test borings, soil bearing tests, timber cruises and other engineering tests or surveys which it may deem

necessary or advisable. The Seller will make available to Purchaser in Columbia, South Carolina all aerial photographs, maps, charts, and existing surveys of the Property in possession of the Seller.

4.4 Environmental Audit. The Purchaser has obtained an environmental audit or assessment of the Property at its expense, which has been attached to this Agreement as Exhibit C. The deficiencies reported therein shall be corrected as provided in Section 3.8 of this Agreement.

4.5 Condition of Property; Damage; Condemnation.

(a) The Seller agrees that at the Closing the Property will materially be in the same condition as exists on the date hereof, subject to condemnation and casualties beyond Seller's control. All risk of loss to the Property or any part thereof prior to the Closing will be borne entirely by the Seller. During the term of this contract, the Seller will neither cut or remove nor permit the cutting or removal of any timber or trees or the mining of any oil, gas, gravel or other minerals located on the Property without the prior written consent of Purchaser.

(b) If at any time prior to the Closing, the Property or any material part thereof is destroyed or damaged by fire or other casualty, then the Purchaser, at its sole option, may elect to not proceed with the Closing by providing written notice of termination to the Seller. The Purchaser's option under this Section 4.5 will be exercisable at any time on or before the date of Closing.

(c) If at any time prior to the Closing, any action or proceeding is filed or threatened under which the Property or any part thereof may be taken pursuant to any law, ordinance or regulation by condemnation or the right of eminent domain, then the Purchaser at its sole option, may elect to not proceed with the Closing by providing written notice of termination to the Seller. The Purchaser's option under this Section 4.5 will be exercisable at any time on or before the date of Closing.

(d) Except to the extent of the representations and warranties in Article III of this Agreement, the Purchaser acknowledges that it will accept the Property at closing in "as is" condition.

4.6 Resolution of Disputes. Any disputes between the Purchaser and the Seller shall be determined in a manner acceptable to the Bankruptcy Court for the District of South Carolina.

ARTICLE V
CLOSING

5.1 Closing. The purchase and sale contemplated hereunder shall be consummated at the closing (referred to herein as the "Closing") which shall take place no later than February 15, 2002. The Closing shall take place at the offices of counsel to the Purchaser's proposed mortgagee or at such other place as may be mutually agreed upon by the Seller and the Purchaser.

5.2 Mortgage Contingency. The purchase and sale contemplated hereunder shall be contingent upon the Bank of New York, as Indenture Trustee for certain bondholders, granting a loan to the Purchaser in the amount of \$980,000, The note, to be secured by a mortgage on the Property, shall bear interest in arrears at the rate of 8.5% per year, beginning on July 1, 2002, and shall provide for amortization over a twenty-year period beginning on August 1, 2002 and shall mature on the first day of the month two years after the Closing Date. The form of the note, mortgage and other documents shall be reasonably acceptable to the Purchaser.

5.3 Court Order. The purchase and sale contemplated hereunder shall be contingent upon the Bankruptcy Court for the District of South Carolina entering any and all orders that may be necessary to effect the transactions contemplated by this Agreement. Such court orders shall provide that the sale and conveyance of the Property to the Purchaser is free and clear of liens, encumbrances and interests pursuant to 11 U.S.C. Sections 363 (b) and (f) and that the Purchaser and its proposed Tenant are not successors in business to the Santee River Rubber Company, LLC and shall have no liability for any acts of the Santee River Rubber Company, LLC, including without limitation, acts or omissions relative to the transportation or disposal of any waste materials at any site, other than the Land. The Purchaser will receive the Land subject to any existing environmental liabilities associated with the Land; however, except as may be imposed by state or federal law, the Purchaser is not contractually assuming personal liability for existing environmental conditions other than the Purchaser's responsibility to correct or remediate the items, conditions and/or matters identified in Exhibit C to this Agreement, and the Seller is assigning to the Purchaser the rights and interest of the debtor's bankruptcy estate in those certain funds held in trust (the "Trust Fund") by the South Carolina Department of Health and Environmental Control ("DHEC") in the approximate amount of \$31,000.00.

ARTICLE VI

PRO-RATED ITEMS AND ADJUSTMENTS

6.1 Closing Costs, Prorations, and Adjustments. The Purchaser shall pay for the title insurance premiums due in connection with the issuance of an owner's title insurance policy and a mortgagee's title insurance policy. The Seller shall pay any documentary stamp costs assessed with respect to the deed conveying title to the Property to the Purchaser, and the Purchaser shall pay for the recording costs of said deeds and any other documents required to be filed in connection with any mortgage on the Property. The Purchaser and the Seller shall pay their own legal fees related to the transaction contemplated hereby. All other costs of Closing shall be paid by the party incurring such costs. All real estate taxes for the Property (other than roll back taxes) shall be prorated. The adjustments and prorations required under this Agreement shall be computed as of the date of Closing and the cash portion of the purchase price paid to Seller hereunder shall be adjusted to reflect such prorations. In the event that accurate prorations or other adjustments cannot be made at Closing because of the lack of necessary information, the parties shall prorate on the best available information, subject to prompt adjustment upon the receipt of the necessary information. The Seller shall not be responsible for any future roll back taxes.

ARTICLE VII
SELLER'S DELIVERIES AT CLOSING

In addition to other conditions precedent set forth elsewhere in this Agreement, the Seller shall deliver to the Purchaser all of the following documents and items at Closing, the delivery and accuracy of which shall further condition Purchaser's obligations to consummate the purchase and sale herein contemplated:

7.1 A Trustee's Limited Warranty Deed, reasonably satisfactory in form and substance to the Purchaser's counsel and to the Purchaser's mortgagee conveying fee simple title to the Property, free and clear of all liens, encumbrances, easements, and restrictions except as may be permitted under this Agreement.

7.2 Such lien waivers or other documents satisfactory to remove any "mechanic's lien" exception from the Purchaser's Owner's Title Insurance Policy and confirming such other matters as may be reasonably requested by the title insurer.

7.3 Such certified copies of orders entered by the Bankruptcy Court for the District of South Carolina as the counsel of the purchaser or the counsel for the Purchaser's mortgagee may request confirming that the Seller has the authority to sell the Property to the Purchaser in accordance with the term of this Agreement.

7.4 A South Carolina residency affidavit in accordance with Revenue Ruling 90-3 of the South Carolina Tax Commission.

7.5 An affidavit as to the non-foreign status of the Seller.

7.6 All other documents and instruments reasonably required by the Purchaser's title insurer and mortgagee.

7.7 All other deeds, instruments and documents as may be reasonably required by the Purchaser to vest in and assure to the Purchaser full rights in and to the Property and to otherwise carry out the intent of this Agreement.

ARTICLE VIII
PURCHASER'S DELIVERIES AT CLOSING

At Closing, the Purchaser shall pay to the Seller the Purchase Price as set forth in Section 1.2, reduced by the amount of the Earnest Money deposit referred to in Section 1.3, and any prorations, adjustments and credits required in connection with the Closing.

ARTICLE IX
INSPECTION PERIOD

(Intentionally deleted.)

ARTICLE X

DEFAULT

If (a) all conditions and other events precedent to the Purchaser's obligation to consummate the transaction herein contemplated have been waived in writing by Purchaser or satisfied, (b) the Seller has performed its covenants and agreements hereunder, but (c) the Purchaser has breached its covenants and agreements hereunder and has failed or refused to consummate the purchase and sale contemplated herein, then the Seller shall give the Purchaser's notice of such default and may proceed to request such remedies as may be acceptable to the Bankruptcy Court of the District of South Carolina, including without limitation, specific performance or may retain the Earnest Money deposit as liquidated damages. If the Purchaser has performed all of its obligation hereunder, but the Seller has breached its covenants and agreements under this Agreement or has failed or refused to consummate the purchase and sale contemplated herein, then Purchaser shall give the Seller notice of such event and the Purchaser shall be entitled to any remedies as may be acceptable to the Bankruptcy Court of the District of South Carolina including, without limitation, the specific performance of this Agreement or alternately, may request the return of its Earnest Money deposit.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 Completeness Modification. This Agreement constitutes the entire agreement between the parties hereto with respect to the transaction contemplated herein and it supersedes all prior discussions, undertakings or agreements between the parties. This Agreement shall not be modified except by a written agreement executed by both parties.

11.2 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective, heirs, devisees, personal representatives, successors and assigns. This Agreement shall not be assigned by the Purchaser without the prior written consent of the Seller, said consent not to be unreasonably withheld.

11.3 Survival of Warranties. Except as otherwise expressly provided herein, it is the express intention and agreement of the parties to this Agreement that all covenants, agreements, statements, representations and warranties made by the Purchaser and the Seller in Article III of this Agreement shall survive the Closing for a period of one (1) year.

11.4 Governing Law. This Agreement shall be governed by and construed under the laws of the State of South Carolina.

11.5 Article Headings. The Article headings as used herein are for convenience or reference only and shall not be deemed to vary the content of this Agreement or the covenants, agreements, representations, and warranties set forth herein or limit the provisions or scope of any Article.

11.6 Time of Essence. Both parties hereto specifically agree that time is of the essence to this Agreement with respect to the performance of the obligation of the parties under this Agreement.

11.7 Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be deemed appropriate by the parties, all of which shall comprise one (1) agreement.

11.8 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be personally delivered by expedited delivery service or mailed by First Class, Registered or Certified Mail, return receipt requested, postage prepaid, as follows:

(a) If to Purchaser:

Santee River Facility, LLC
7000 Boulevard East
Guttenberg, New Jersey 07093
Attention: Martin J. Sergi, President
Telephone: (201) 854-7777
Telecopier: (201) 854-1771

with a copy to:

Nexsen Pruet Jacobs & Pollard, LLC
Post Office Drawer 2426
Columbia, South Carolina 29202
Attn: Julio E. Mendoza, Jr.
Telephone No.: (803) 771-8900
Facsimile No.: (803) 253-8277

and:

Robert E. Wetzel
20 Braeburn Lane
Barrington Hills, Illinois 60010
Telephone: (847) 854-6798
Telecopier: (847) 658-1516

(b) If to Seller:

G. William McCarthy, Jr., as Chapter 11 Trustee
Robinson, Barton, McCarthy & Calloway, P.A.
P.O. Box 12287
1715 Pickens Street
Columbia, South Carolina 29211
Fax: (803) 779-0267
Tele: (803) 256-6400

Any such notice, request, consent or other communications shall be deemed received at such time as it is personally delivered or on the fifth business day after it is so mailed, as the case may be.

11.9 Invalid Provisions. In the event any one or more of the provisions contained in this Agreement shall be for any reason held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

11.11 Real Estate Commissions. Each party hereto represents and warrants to the other that it has not dealt with any other real estate brokers who may claim a fee or commission in connection with the transactions contemplated hereby as a result of such party's acts.

11.12 Duplicate Originals. This Agreement has been executed in duplicate originals, and the Purchaser and the Seller each acknowledge receipt of one of the executed originals.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESSES:

PURCHASER:

Santee River Facility, LLC

By: 

MINOU

MOHADJERI

1-16-02

Jan-16-02

Date of execution

WITNESSES:

SELLER:

G. William McCarthy, Jr.,
as Chapter 11 Bankruptcy Trustee

Date of execution

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WITNESSES:

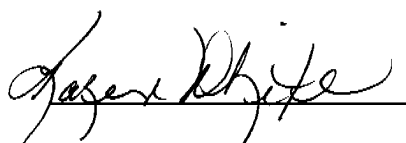
PURCHASER:


Santee River Facility, LLC

By:

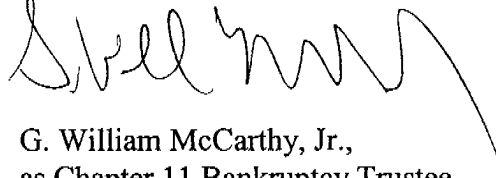
Date of execution

WITNESSES:





SELLER:


G. William McCarthy, Jr.,
as Chapter 11 Bankruptcy Trustee

01-22-02
Date of execution

EXHIBIT A**PROPERTY ONE - (TRACT A)**

ALL that certain piece, parcel or tract of land, situate, lying and being in the County of Berkeley, State of South Carolina, being known and designated as Tract A, 29.21 Acres, as shown on a plat entitled, "PLAT SHOWING THE SUBDIVISION OF TMS NO 211-00-02-009 CONTAINING 607.60 ACRES INTO TRACT "A" (29.21 ACRES), 66' INGRESS/EGRESS EASEMENT AND GENERAL UTILITY EASEMENT RESIDUAL (576.81 ACRES) PREPARED FOR SANTEE RIVER RUBBER COMPANY, LLC AND GEORGE R. HERRIN LOCATED IN BERKELEY COUNTY, SOUTH CAROLINA, by Hoffman Lester Associates Inc., dated August 7, 1997, and recorded August 8, 1997, in Plat Book M at Page 356 in the RMC Office for Berkeley County, South Carolina, and having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

PROPERTY TWO - (EASEMENT PARCEL)

TOGETHER with an easement for ingress and egress set forth in the certain instrument dated December 30, 1997, and recorded August 19, 1998, in Book 1409, at page 320, in the RMC Office for Berkeley County, South Carolina, which said easement encumbers the following described property:

ALL that certain piece, parcel or tract of land, shown and designated as "66' INGRESS/EGRESS AND GENERAL UTILITY EASEMENT (1.58 AC)" on a plat entitled, "PLAT SHOWING THE SUBDIVISION OF TMS NO 211-00-02-009 CONTAINING 607.60 ACRES INTO TRACT "A" (29.21 ACRES), 66' INGRESS/EGRESS EASEMENT AND GENERAL UTILITY EASEMENT RESIDUAL (576.81 ACRES) PREPARED FOR SANTEE RIVER RUBBER COMPANY, LLC AND GEORGE R. HERRIN LOCATED IN BERKELEY COUNTY, SOUTH CAROLINA, by Hoffman Lester Associates Inc., dated August 13 (SIC), 1997, and recorded August 8, 1997, in Plat Book M at Page 356 in the RMC Office for Berkeley County, South Carolina, and having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

EXHIBIT B

TO

**AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY**

INTENTIONALLY OMITTED

EXHIBIT C

TO

**AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY**

INTENTIONALLY OMITTED

EXHIBIT

3 (5 pages)

FILED

at ___ O'clock & ___ min ___ M

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

JAN 23 2002

IN RE:

Santee River Rubber Company, LLC,
Debtor.

Chapter 11

Case No. 00-09624-W

BRENDA K. ARGOE, CLERK
United States Bankruptcy Court
Columbia, South Carolina (16)**ORDER ESTABLISHING BIDDING AND OTHER SALES PROCEDURES IN
CONNECTION WITH THE SALE OF DEBTOR'S ASSETS AND GRANTING
PROTECTIONS TO THE PROPOSED BUYER**

THIS MATTER came before the Court upon the *ex parte* motion filed by G. William McCarthy, Jr., the Chapter 11 Trustee ("Trustee" or "Seller"), requesting that the Court enter an order: (i) establishing bidding and other procedures for the sale of certain assets of the Debtor free and clear of all liens, claims, encumbrances, and other interests, pursuant to §§ 105 and 363 of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"); and (ii) granting certain purchase offer protections to the proposed buyer ("Motion"). Upon review of the Motion, the Court finds as follows:

FINDINGS OF FACT

1. The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on October 26, 2000.
2. By order of this Court, entered November 8, 2000, a Chapter 11 Trustee was appointed. By order entered December 5, 2000, the Court appointed a successor Chapter 11 Trustee, G. William McCarthy, Jr. ("Trustee" or "Seller").
3. On June 27, 2001, The Trustee filed his Notice of Sale of Property Free and Clear and Liens, which scheduled an auction sale of the Debtor's assets for August 9, 2001. The Trustee reserved the right to withdraw the notice and cancel the auction, if a directed sale appeared possible.

The Trustee did cancel the auction and has now presented a proposed sale for the Court's approval.

4. On or about January ~~22~~, 2002, Recovery Technologies Group of South Carolina, Inc., and Santee River Facility, LLC (collectively hereinafter the "Buyer") and the Trustee executed, subject to court approval and higher and better bids, an Equipment Purchase Agreement and an Agreement for the Purchase and Sale of Real Property, which documents collectively constitute a single agreement to purchase the certain assets of the Debtor shown therein ("Agreement"), under which the Buyer would purchase from the Trustee all of the Debtor's machinery and equipment for a cash price of \$2,000,000.00, and the Debtor's land and buildings for a cash price of \$1,400,000.00, for a total purchase price of \$3,400,000.00 ("Purchase Price"). The Trustee has separately filed a notice and application for the sale of property free and clear of liens ("Application"). A copy of both parts of the Agreement is attached as an exhibit to the Application

5. For over a year, the Trustee has been attempting to sell the Debtor's assets. The proposed purchase price is the first written offer that has been acceptable to the Trustee and the secured creditor, the Bank of New York, as trustee for the bondholders ("BNY"). Buyer acknowledges payment of a \$340,000 earnest money deposit to the Trustee. Trustee acknowledges receipt of the \$340,000 earnest money deposit from Buyer required under the Agreement which Trustee will place in an interest-bearing bank account.

6. In an effort to maximize the value of its estate for the benefit of creditors and subject to this Court's approval, the Trustee has required that the sale of the assets to the Buyer remain subject to higher or otherwise better offers and the Buyer has required as a condition of its offer certain protections.

7. The Trustee has advised the Court that the requested buyer protections and the

proposed sale procedures afford the Trustee the best opportunity to maximize the recovery to creditors.

8. The Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion is a "core" proceeding within the purview of 28 U.S.C. § 157(b). Venue of this case is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

Reimbursement of Reasonable Expenses

9. The Agreement contemplates that in the event that any other person or entity obtains the Property other than due to a breach of this Agreement by Buyer, Buyer shall be entitled to an administrative claim in the Bankruptcy Case as reimbursement of Buyer's reasonable expenses up to \$100,000.00, subject to Court approval ("Reimbursement Fee"). This Reimbursement Fee shall serve as reimbursement for Buyer's expenses in entering into this Agreement, and for the benefit to Seller that this Agreement created in attracting other bids over and above the Purchase Price, which benefit Seller acknowledges. To obtain approval by the Court of the Reimbursement Fee, the Buyer must have (a) been outbid at the sale by a third-party and (b) submitted to the Court and served upon creditors an application for reimbursement of expenses.

10. In marketing assets, Debtors under appropriate circumstances employ buyer protections in order to encourage the making of other purchase offers.

11. Based upon the facts of this case, the Court finds that the Reimbursement Fee was necessary to encourage the Buyer to make an initial offer and to compensate the Buyer for the risk that its offer will be used as a "stalking horse" to induce other potential purchasers to top such offer. The Court does not believe that the Buyer's Expenses will hamper the submission of other competing offers. In addition, the Reimbursement Fee is necessary to induce the Buyer to continue

incurring costs and expenses associated with the Buyer's due diligence, preparation of the documents contemplated by the Agreement and to complete the other steps necessary to close the proposed sale in accordance with the Agreement and that such fees will serve to maximize the value of the Assets.

Bidding and Other Sale Procedures

12. Based upon the facts of this case, establishment of a bidding procedure will insure an orderly and fair mechanism for evaluating competing bids, and will allow competing bids an opportunity to increase their bid, thereby maximizing the value of the estate. Establishment of a bidding procedure avoids confusion and ensures that a sale is conducted according to the bidders' reasonable expectations.

13. The Court hereby approves the following bidding and other sale procedures (the "Sale Procedures"):

(a) Any proposals from any persons or entity(ies) other than Buyer to purchase the assets shall (A) be made in writing; (B) contain the same essential terms and conditions as the Agreement, other than the identity of the Buyer and the amount of the purchase price; (C) exceed the Purchase Price by at least One Hundred Fifty Thousand and no/100 (\$150,000) Dollars; (D) contain, as an earnest money deposit, certified funds equaling 10% of the proposal; (D) include evidence satisfactory to Seller of the financial ability of the person or entity submitting the proposal to consummate the purchase for cash; and (E) be delivered to Seller and Buyer no later than the close of business of the fifth business day preceding the above-scheduled hearing on this Application.

(b) Providing that, upon receipt of any proposal that conforms to section (a) above, the Buyer shall have the unconditional right to submit an overbid proposal by delivering to Seller no later than the beginning of the auction hearing an amended Agreement in which the Buyer's amended purchase price exceeds such proposal by a minimum of Fifty Thousand Dollars and no/100 (\$50,000). However, any higher offers specified in such amended Agreement itself shall be subject to the Seller's acceptance of a still higher and better offer submitted during the Auction in compliance with this Section; provided, however, that such higher and better offer shall equal the sum of: (i) the purchase price under the amended Agreement; plus (ii) an additional amount of at least \$50,000 (a "Yet Higher Offer"). In the event of a Yet Higher Offer, the process set forth in the immediately preceding sentence shall continue, with Buyer having the continuing right to submit an

overbid proposal, unless and until such time as the Buyer or any other offeror elects not to make a further bid. In the event that any other person or entity obtains the assets other than due to a breach of this Agreement by Buyer, Buyer shall be entitled to an administrative claim in the Bankruptcy Case as reimbursement of Buyer's reasonable expenses up to \$100,000, subject to Court approval ("Reimbursement Fee"). This Reimbursement Fee shall serve as reimbursement for Buyer's expenses in entering into this Agreement, and for the benefit to Seller that this Agreement created in attracting other bids over and above the Purchase Price, which benefit Seller acknowledges.


(c) Any successful bidder at the auction shall be required to pay at the auction in certified funds, an earnest money deposit equal to 10% of the successful bid. As such, in order to ensure that a bidder's offer is accepted, bidders shall bring to the auction certified funds in an amount equal to 10% of the highest bid they are willing to make at the auction.

(d) Debtor will request the Court to approve a "back up" bid, if one is received. This "back up" bid will be consummated by the parties without the necessity of obtaining another order from this Court if the successful bidder is unable to close within a reasonable period of time after the Court enters its order approving the sale of the assets.

14. The Court finds that the Sale Procedures set forth herein are commercially reasonable and are in the best interests of the Debtor, its estate and creditors and that such procedures will maximize the value obtained from the sale of the Assets. The required good faith deposit, minimum overbids, and other Sale Procedures should facilitate the orderly and timely submission of any higher and otherwise better offers.

Based upon the foregoing, the Trustee's request for an Order Establishing Bidding and other Procedures in Connection with the Sale of Certain Assets of the Debtor is hereby granted. In the event Buyer is outbid by a third-party, in order to obtain the Reimbursement Fee, Buyer must submit to the Court and serve upon creditors an application for reimbursement of expenses.

AND IT IS SO ORDERED on this the 23rd day of January 2002, at Columbia, South Carolina.


THE HONORABLE JOHN E. WAITES
UNITED STATES BANKRUPTCY JUDGE